GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3233
ANSWERED ON:18.12.2015
Private Funding for R&D
Khuba Shri Bhagwanth

Will the Minister of PLANNING be pleased to state:

(a) Whether the NITI Aayog penal moots, private funding for research and development activities in various areas;

(b) If so, the details thereof; and

(c) The reaction of the Government as well a Corporate Sector in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE FOR DEFENCE
RAO INDERJIT SINGH

(a) & (b): Yes, Madam. The Expert Committee on Innovation and Entrepreneurship under the Chairmanship of Prof. Tarun Khanna, Director, South Asia Institute, Harvard University, USA has submitted its report in October, 2015. One of the recommendations of the Expert Committee is as under:

"1% of corporate profit could be directed towards research labs in universities and/ or industry-university collaborative research. The government could provide some tax benefits against this. Monitoring of this rule should focus not only on the absolute amount channelled into universities, but also on the efficiency of spending, that is, it needs to be output-rather than input-oriented. The idea here is that universities become the breeding ground for new technology/ ideas that can be used by the corporate sector. Firms would implicitly be outsourcing R&D - financing development of products/ services that can be bought by them. In that sense, this financing would be perceived as absolutely core and fundamental to a firm's operations, rather than as a CSR-related activity. Though the actual development of R&D may take some time, beginning the involvement of the corporate sector in the financing of universities could be achieved relatively quickly".

(c) A Mission High Level Committee (MHLC) of Atal Innovation Mission (AIM) has been constituted to consider the recommendations of the Expert Committee. NITI Aayog has not received any response from the corporate sector.